

ARTICLE 12

SECTION 2

PROCESSING OF FORMS AND ADJUSTMENTS

1. FORM MC 1054 (10/99)

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Form MC 1054 (10/99) (Share-Of-Cost Medi-Cal Provider Letter) is filled out by the Eligibility Technician (ET) when the Share-Of-Cost (SOC) has been reduced retroactively and a provider must reimburse the beneficiary for the previously paid SOC amount. The provider will bill Medi-Cal for the prior month and reimburse the beneficiary upon receipt of the payment from the State. (See Attachment A)

2. SHARE OF COST DECREASED RETROACTIVELY

A. When a recomputation of the share of cost determines that a beneficiary is entitled to have a lower share of cost than was originally computed, the beneficiary has the option of:

- 1) Having future share of cost amounts adjusted by the ET; or
- 2) Adjusting with providers, the amounts obligated or paid to these providers to meet the overstated portion of the original share of cost.

If the future share of cost is zero before an adjustment is applied, the beneficiary must be advised to seek reimbursement from the provider.

B. Adjusting With Providers

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If a beneficiary chooses to seek reimbursement from a provider, the ET must first determine if the provider has billed or submitted a SOC clearance transaction for the month for which reimbursement is requested. This may be determined by reviewing the Medi-Cal Eligibility Data System (MEDS), SOC Case Make-Up Inquiry Request (SOCR) screen for the appropriate month. If the SOC shown on the SOCR for the month is the same as the SOC computed in the case, then a provider has not submitted a SOC clearance transaction. If the remaining SOC is less than the SOC or zero, then a Medi-Cal provider has submitted one or more SOC clearance transactions. The SOC for prior months cannot be reduced on MEDS to an amount lower than the amount of clearance transactions posted. For example, if the SOC is \$100.00 and a provider has submitted a \$25.00 SOC clearance transaction for medical services rendered, the SOC cannot be reduced to an amount lower than \$25.00. If the SOC is being reduced to \$40.00 (or any amount between \$99.00 and \$26.00), the SOC amount would be input on MEDS and no SOC adjustment is necessary.

Prior to seeking reimbursement from the provider, beneficiaries are to be instructed to give the provider a "Share of Cost Medi-Cal Letter" (MC 1054) so that the provider may bill the Medi-Cal Program, and reimburse the beneficiary, the correct amount.

C. Case Situations

The following procedures describe the adjustment process and the different methods for working with various case situations in recomputing the SOC.

EXAMPLE 1 – Beneficiary was determined eligible for July with a SOC and met the SOC (determined by viewing the SOCR screen). It is later determined that the SOC should have been lower. Beneficiary requests adjustment of future SOC.

Case Processing Steps

- 1) The ET shall recompute the SOC for the overstated month(s). The ET is also to prepare a new MC 176M for the month of July. The difference between the original and recomputed SOC is the amount of the adjustment.
- 2) On the MC 176M for September (the future month in which the SOC is to be adjusted), enter the SOC adjustment for the month of July on line 15. Subtract line 15 from line 14 and enter in line 16. Line 16 is the SOC for September, which reflects the July overcharge. If the amount of the adjustment is greater than the September SOC amount, the beneficiary is not required to meet a SOC for the month. If necessary, repeat this process for subsequent months until the entire adjustment is made.

EXAMPLE 2 – Beneficiary was determined eligible for October 1999 with a SOC and met part of the SOC for the month. It is later determined that the SOC should have been lower. Beneficiary requests adjustment to the future SOC.

Case Processing Steps

- 1) View SOCR screen for October 1999 to determine amount of SOC that was met.
- 2) If it is determined that a provider submitted SOC clearances for more than the beneficiary's recomputed SOC, a SOC adjustment is needed. The difference between the amount cleared and the recomputed SOC will be the amount to be readjusted (e.g., beneficiary's original SOC is \$100.00, beneficiary paid \$75.00; the recomputed SOC is \$50.00, the amount to be adjusted for future month is \$25.00).
- 3) Process case as in steps 1 and 2 of Example 1.
- 4) If the amount cleared for the month of October is less than the recomputed SOC, no adjustment is necessary. The change in the SOC needs to be posted to MEDS if it is processed within a year from the month of the overstated SOC.

EXAMPLE 3 – Beneficiary was determined eligible for November 1999 with a SOC and met the SOC. A recomputation indicates the SOC should have been zero. Beneficiary wants a reimbursement of the SOC amount paid to the provider.

Case Processing Steps

- 1) The ET shall recompute the SOC for the overstated SOC month and prepare a new 176M for the month of November.
- 2) The ET shall also prepare an MC 1054 explaining the SOC adjustment and give or mail it to the beneficiary.
- 3) The beneficiary gives the MC 1054 to the provider.
- 4) The provider bills Medi-Cal and reimburses the beneficiary after payment from Medi-Cal is received. The provider needs to submit a copy of the MC 1054 with their Medi-Cal billing.

EXAMPLE 4 – Beneficiary was determined eligible for September with a SOC and met the SOC. A recomputation indicates the SOC should have been lower. Beneficiary wants reimbursement for the excess SOC amount paid. The provider billed Medi-Cal for a portion of the SOC.

Case Processing Steps

- 1) The ET shall recompute the SOC for the overstated SOC month(s). Prepare a new MC 176 M for the month of September.
- 2) The ET prepares an MC 1054 for the beneficiary.
- 3) The beneficiary submits the MC 1054 to the provider.
- 4) The provider bills Medi-Cal and reimburses the beneficiary after payment from Medi-Cal is received. The provider needs to submit a copy of the MC 1054 with their Medi-Cal billing.

EXAMPLE 5 – Beneficiary had a \$100.00 SOC for the previous month of April and according to the SOCR screen, met \$50.00 of the SOC. It was later determined that the SOC should have been \$75.00.

Case Processing Steps

- 1) In this situation there is no SOC adjustment.
- 2) The MEDS SOC for April needs to be changed to \$75.00 if processed within one year from the overstated SOC month.

EXAMPLE 6 – Beneficiary had a SOC of \$200.00 for the previous month of May. The SOCR screen indicates that \$150.00 of the SOC was met. It has been determined that the SOC should have been \$100.00.

Case Processing Steps

- 1) Change the SOC on MEDS to \$150.00 (MEDS will not accept a change below the amount of service that has already been credited towards the SOC).
- 2) ET prepares an MC 1054 showing the original SOC as \$150.00 and the revised amount as \$100.00 and gives it to the beneficiary.
- 3) The beneficiary submits the MC 1054 to the provider.
- 4) The provider bills Medi-Cal and reimburses the beneficiary after payment from Medi-Cal is received. The provider needs to submit a copy of the MC 1054 with their Medi-Cal billing.

EXAMPLE 7 – Beneficiary had a SOC of \$200.00 for a month that was over a year ago and it was determined that the SOC should have been only \$100.00.

Case Processing Steps

- 1) View the SOCR screen to determine whether or not any of the SOC was met. If none of the SOC was met, no further action is needed. If all or an amount over the new SOC was met, proceed to the next steps.
- 2) If the SOCR indicates that an amount over the new SOC was met, the ET prepares a “Letter of Authorization” (MC 180) and an MC 1054, which shows the original SOC as \$200.00 and the revised SOC as \$100.00. However, if only \$100.00 or less of the SOC has been met, there would not be a need to complete the MC 1054 or the MC 180 as the beneficiary would not be entitled to a refund from the provider.

The provider bills Medi-Cal and reimburses the beneficiary after payment from Medi-Cal is received. The provider needs to submit a copy of the MC 180 and the MC 1054 with their Medi-Cal billing.

APPENDIX 12-2-A

State of California - Health and Human Services Agency

Department of Health Services

SHARE-OF-COST MEDI-CAL PROVIDER LETTER

Provider name and address

(COUNTY STAMP)

Notice date: _____
Case name: _____
Case number: _____
EW name: _____
EW number: _____
EW address: _____
EW telephone number: _____

_____, _____, was determined eligible for Medi-Cal with a share of
Beneficiary's name Beneficiary's Social Security number
cost that has been changed for the following months:

Month/Year						
Original SOC						
Revised SOC						
Month/Year						
Original SOC						
Revised SOC						

The California Code of Regulations, Title 22, Section 51471.1, requires providers to cooperate with the Department of Health Services in making reimbursements to the beneficiaries for Medi-Cal program underpayments. The Welfare and Institutions Code, Section 14019.3 and the regulations further require that the provider accept an underpayment adjustment from the Medi-Cal program for such beneficiaries and reimburse such beneficiaries the full amount of that adjustment, up to the actual amount received in payment from the beneficiary for medical services in question.

You must do one of the following if the beneficiary paid or obligated to pay an original share of cost (SOC) amount to you.

If you...	And the share of cost...	Then you...
billed Medi-Cal for the balance of the charges,	has been reduced or is now zero,	may bill the program for the difference between the original share of cost and the adjusted share of cost. Submit a Claims Inquiry Form (CIF) with this MC 1054 attached. Note: Do not submit a new claim. It will be considered a duplicate claim and payment will be denied.
did not bill Medi-Cal because the charges equaled or were less than the original SOC,	has been reduced,	may bill the program if the services you rendered now exceed the adjusted SOC. Submit a claim with the adjusted SOC amount in the "Patient's Share of Cost" field, and attach this MC 1054.
	is now zero,	may bill the program for the services you rendered. Submit a claim with a zero (0) in the "Patient's Share of Cost" field, and attach this MC 1054 form.

Once the CIF is approved and payment is received, you are required to reimburse the beneficiary any share of cost paid for the services, or eliminate/adjust the outstanding share of cost obligated for the services billed.

MC 1054 (10/99)